

PODCAST – The Wind Power Market in Mexico

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Welcome and thank you for listening to this U.S. Commercial Service Mexico podcast. My name is Miguel Vázquez and I will share with you a short summary of the wind power market in Mexico.

Energy demand in Mexico is expected to grow by 3.6% on average per year for the following 15 years. Mexico's Energy Ministry (SENER) recognizes that it is important to keep a diversified energy matrix and minimize Mexico's carbon footprint. The Mexican Wind Power Association or AMDEE estimates that the economically competitive potential capacity for wind power in Mexico is 20,300 MW. Of the potential capacity AMDEE proposes a conservative goal of 12,000 MW installed nationally by 2020. The current figure stands at 1,300 MW, giving still a great room to grow. This goal has been recognized in SENER's Energy Strategy plan for 2012-2026, though it has not been formally approved by SENER.

The country's energy vision towards 2030 is that Mexico should have a culture focused on sustainable development that reinforces economic development without compromising social and environmental development. A government decree established targets for the electricity generation matrix:

- By the year 2024 generation by fossil fuels not to exceed 65% of the total generation.
- Generation with fossil fuels not higher than 60% by 2035.
- Generation with fossil fuels not higher than 50% by 2050.

Financing is available from several sources for wind power development. One source comes from multilateral financial institutions. For example, the Inter-American Development Bank (IADB) has approved \$101 million in partial financing for two wind power projects in Oaxaca. The IADB has also pledged that 80% of its loans for private energy projects from 2012-2015 will go to renewable energy exclusively.

Another source of financing for U.S. manufactured exports are export credit agencies like the U.S. Export-Import Bank, which has extended repayment terms for renewable energy projects. The latest example is Suniva, a Norcross, GA., manufacturer of high-efficiency crystalline silicon photovoltaic (PV). They have confirmed a transaction with Grupo Metal Intra in Mexico. Ex-Im Bank will guarantee a \$780,000 USD, 10-year loan to finance the export of photovoltaic (PV) solar modules.

If you are interested in more information please contact me at: Miguel.Vazquez@trade.gov; Phone: +52 (55) 5140-2643; or even more, you can visit our website: <http://www.buyusa.gov/mexico>. Thank you and keep in touch!